

COMPACT GOAL

The Compact aims to revitalize Malawi's power sector by upgrading electricity infrastructure and improving the performance of key institutions responsible for the electrical power sector. The program is intended to reduce outages and system losses, improve efficiency of hydropower generation, improve service delivery to electricity consumers, and create an enabling environment for private sector investment and expansion of electrification. The Compact is expected to reduce energy costs to enterprises and households and enhance productivity and employment opportunities in key economic sectors.

COMPACT AT A GLANCE

Compact Signed..... 04-07-2011



■ Project Preparation ■ Project Implementation

Compact Signed	
04-07-2011	The Compact aims to revitalize Malawi's power sector by upgrading electricity infrastructure and improving the performance of key institutions. The project is intended to reduce outages and system losses, improve efficiency of hydropower generation, improve electric service delivery to consumers, and create an enabling environment for private sector investment and expansion of electrification. The Compact is expected to reduce energy costs to enterprises and households and enhance productivity.

After a hold in July 2011 and suspension in March 2012, MCC reinstated the Malawi Compact in June 2012, recognizing the clear steps President Joyce Banda's Government took both to reverse the negative pattern of actions that led to the hold and suspension and to demonstrate its commitment to the principles of democratic governance. MCC is currently reviewing the scope and cost of the agreed program, while working with the Government to prepare for full implementation of the Compact.

The Malawi Compact was rescope in July 2013 from its original program to account for cost increases due to inflation resulting from delays caused by the Compact's operational hold and suspension and to respond to requests for new infrastructure sub-projects from the Government of Malawi. In addition, at that time MCC revised the Compact structure to improve fiscal control and results monitoring and reporting by elevating two Compact Activities and one Sub-Activity to the Project level.